## Goodyear Tire & Rubber Co.

This Company does a larger business an any similar company. Patents and good will are carried on ts books at \$1.00,

No bonded indebtedness Preferred stock pays 7% per annum. Over a period of 12 years the Com-iny has earned an amount applicable common stock averaging 54%. In addition to 12% cash dividends per annum, 570% in stock dividends have been paid during the last 12 years on the common stock.

Subject to withdrawal without notice, we can offer 2 shares of Preferred and I share of common stock for

\$300 pe unit

Write Dept. S-1 for Descriptive Circular.

Morton Lachenbruch & Co. 22 Broad Street New York

#### Geo. A. Huhn & Sons

**MEMBERS** New York Stock Exchange Philadelphia Stock Exchange Chicago Stock Exchange New York Cotton Exchange

111 Broadway New York

Phone Rector 5340 1418 Walnut St., Phila., Pa.

#### THIS JULY AFFORDS UNUSUAL INVESTMENT **OPPORTUNITIES**

We have prepared a list of high grade securities yielding from 51/2 to 8% which should assist you in placing your July funds.

We shall be pleased to furnish a copy on request.

GLIDDEN, DAVIDGE & CO. Members New York Stock Exchange

20 Broad Street, New York

STANDARD ISSUES

THE EFFECT OF STOCK DIVIDENDS STANDARD OIL PRICES

WE HAVE PREPARED A CIRCU-LAR NO. 1-N. GIVING A RECORD OF THE MARKET ACTION, OVER A PERIOD OF YEARS, OF STOCKS OF STANDARD OIL COMPANIES WHICH HAVE DECLARED STOCK DISTRIBUTIONS.

ARLH.PFORZHEIMER & CO

Dealers in Standard OH Securities. 25 BROAD ST. Phones 4860-2-3-4 Broad

290 American Cyanamid Com, 100 American Brass 10 Am. Alliance Ins. 50 Am. Chicle Com. & Pfd. 10 Am. Alliance Ins.
50 Am. Chilel Com. & Pfd.
25 Ansco Company
100 Atlas Portland Cement Com.
30 B. I. M. Bates Pfd.
25 Bond & Mige. Guar.
50 Bucyrus Com.
10 Chase National Bank
50 Childs Com. & Pfd.
50 Corn Exch. Bank Rights
10 E. W. Bliss Com.
35 First National Bank
25 Ibgersoil-Band Com.
50 Lehigh Valley Coal Sales
100 Lima Loca Com.
10 Mech. & Metals Bank
25 National Fuel Gas
25 New Jersey Zinc
100 New Jersey Zinc Rights
300 N. Y. State Railways Com.
25 Nanara Ins. Rights
300 N. Y. State Railways Com.
25 Nanara Ins. Rights
300 Pann. Coal & Coke
50 R. J. Reynolds T. Com. & Pfd.
30 Savage Arms Ead Pfd.
25 Victor Talking Machine
100 Ward Baking Pfd.
25 Wischester Coc. Com.
25 Winchester Co. 2nd Pfd.
26 Winchester Co. 2nd Pfd.
26 Winchester Co. 2nd Pfd.
26 Winchester Co. 2nd Pfd.

K.Rice, Jr. & Co.

## FINANCIAL NEWS AND THE SITUATION

of Investments During Coming Month.

NEED CREDIT REDUCTION

Effective Reforms Accompany Corrective Measures in Loan Market.

By WILLIAM JUSTUS BOIES.

With the beginning this week of a ew fiscal year the financial outlook ssumes fresh interest from the standpoints of investment markets and pos sible effects of the retrenchment cam paign. The corrective measures applied by the Reserve Board to check inflation and increase credit available for productive loans are strengthening the ountry's credit structure and doing great good. If persisted in, they will safeguard the money market during autumn's usual credit strain. There is no easy money in sight. The experience of the last six months has emphasized what has been said repeatedly in this newspaper concerning the probability that 1920 would be a high money year. It could not well be otherwise, when, burdens of reconstruction financing are taken into account and cost of restoring our worn out railroads considered. Those burdens great as they are, however, are nothing compared with diffi-culty of financing orderly deflation and putting American industry again upon a sane price basis.

Strengthening Credit.

In such a situation credit curtailment was inevitable and of all things to be desired. The country has taken it well and will emerge from the ordeal stronger than it was before the facilities of the Reserve system had been fully tested. Commodity prices are being lowered gradually and, although foodstuffs have not declined much, their general trend is again toward a normal level, a change of large importance. Although it is too early to say what the final benefits will be, the first fruits are suggestive of immense strengthening of the credit structure which will result from making the community regard the borrowed dollar in its true light. At a time when the whole world is short of credit and part f it is starving for necessities of life, it is ridiculous to give the spendthrift borrower the terms quoted to a conserva-tive applicant who keeps well within his borrowing limit. The market that does that sort of lending is headed toward bankruptcy and genuinely hard times. Such tactics are never justified except in war, when the borrower happens to be a Government fighting hard to maintain its freedom. No such need exists and it is proper, therefore, that the banks should discriminate sharply in favor of productive loans and against financial adventurers, whose transactions present a serious moral hazard

in times like these. Penalizing Reckless Borrowers.

The Reserve banks of St. Louis, Kangas City, Atlanta and Dallas have met that situation by taking advantage of the Phelan amendment to the reserve act, which permits a Reserve bank to adopt graduated rediscount rates adjusted to penalize severely a reckless borrower. That system is ingenious enough to justify its ultimate extension throughout the Reserve territory because it penalizes the reckless borrower by imposing a graduated tax on excessive loans. The Reserve bank fixed the basis line of credit for every one of its er banks at "65 per cent, of the the member bank with the Reserve bank, plus the investment of the member bank in the stock of the Reserve bank multiplied by two and one-half," which means that a member bank which carries with its Reserve bank an average balance of say \$10,000,000 and has \$500,000 invested in the stock of the Federal Reserve Bank is given a rediscount limit of \$17,500,000. That sum represents an amount equivalent to two and one-half times what is 65 per cent, of its average reserve balance plus the amount of its stock holding in the Federal Reserve

For every 25 per cent, more than the fixed limit that the member bank is allowed to borrow the Federal Reserve Bank adds half of 1 per cent, to its regular discount rate as a penalty for borrowing more than its basic line of credit, which makes the rate cover the risk and is said to have forced some member banks to pay as high as 12 or 16 per cent. for accomodation when exceptional rediscounts have been applied It is better to exact an exceptionally high rate than it would be to deny the re-discount privilege to a member bank be-cause such a course might result disastrously for the institution and the community that it serves. The law does not compel the Federal Reserve Bank to rediscount the paper of any member bank. But in practice it is 43% 30 found better to penalize a bank for excessive borrowings because by adding to cost of such accommodation the bor-rowing member bank usually is kept rowing member bank usually is kept within safe limits. Inasmuch as the four Federal Reserve banks that have adopted that method have not advanced their rediscount rate to 7 per cent. they are still conducting their business on a second seco relatively low rediscount basis. That method has been found effective, how-ever, in restricting credits and forcing a venturesome borrower to conduct his business within safe lines.

J. K. Rice, Jr. & Co. Will Sell gradually forcing marketing of large 192

crop moving sections. Some interior banks, fearing inability of railroads to furnish equipment necessary to insure quick marketing of crops, have notified

nissioners have suggested it as the best which make for optimism and sustained solution of problems growing out of the freight tieup and car shortage.

Farmers already are importuning railroads for cars and various commercial bodies have besought supervising authori-ties to rush box cars to sections where empty freight cars in good working order are rarely nowadays seen. It is Significant Points of Outlook to be hoped that those arrangements will work out satisfactorily, because the country has sustained an enormous eco-nomic loss through freight congestion and credit. The situation has many in-teresting aspects, and demands from abroad are still numerous and represent immense total operations. The whole world is crying for the sort of finan-cial assistance which the United States alone is competent to give, and within the next few weeks extraordinary in-ducements may be held out by foreign borrowers anxious to interest American investors. The country is doing a good business along conservative lines, and

Europe has suffered much through recasting of international frontiers and difficulties experienced by religands in stronger at the suffered much through recasting of international frontiers and investment outlook is in many respects chalgman of the execution of the executio difficulties experienced by railroads in atronger to-day than it was at this time of the Chamber of Commerce of the adapting themselves to new national or- last year, when the bank position was State of New York. All firms, sleamganizations. Transportation equipment over there, as in the United States, is greater menace. So far as political con-ditions are concerned, the achievements badly worn and unfit for giving the best service when prompt transfer of merof the Chicago convention have indi-cated a healthy reaction from radical chandise, raw material and foodstuffs presents a problem of first importance. Increased freight rates will be an-nounced here soon to compensate rail-roads not only for losses but also for tendencies so much in evidence in the last two years. The country is developing gradually a broader bond market and governing tendencies are of the sort increased outlays for supplies and heav-Ily expanded wage apportionment, which must be provided for as soon as the Central Labor Board announces its retro-active schedules. There is much in the calculated to reassure the cautious in-

#### WATERWAY HEARINGS HERE.

vestors because the country is making sustained progress in activities which a The International Joint Commission. appointed by the Governments of the Enormous sums paid out in July divi-dend and interest disbursements this gate and report on the advisability of ler of Rochester, N. Y., has joined the before fall elections be held there is reason to believe that the nation will come sustaining security prices because it is through 100 per cent. efficient in things apparent that heavy investments will large part of the Middle West, will partment.

be made by that multitude of shrewd hold public hearings in New York benouncement made by Irving T. Bush, less sound inflationary movements in ship companies and individuals desir-full swing and profiteering a much ous of appearing before the commission were requested in Mr. Bush's announcement to communicate with Charles T Gwynne, secretary of the Champer of Commerce, 65 Liberty street.

Offer S. S. Stafford Bonds.

Robert P. Marshall & Co., members of the New York Stock Exchange, are offering \$300,000 of S. S. Stafford, Inc., first refunding mortgage twenty year 8 per cent, gold bonds at par and interest and yielding 8 per cent.

Henry D. Quinby, formerly city Treas-

#### TOTA

situation to encourage hard headed in-

year ago were much less reassuring.

1	L	ΓR	ANSACT			E NEW		RK STOCK	EXCH	y .
	market and the		1920. 1,912,80		A AMERICAN	Range 1900.   Di	v. Div.		1 1	Net
1.	Yield.	Sales.	Advance Rumely	34   3236	Last.   Chge.   321/2 - 1	High. Low. in 7 6 16 21 % 7 76	1. Yirld.   Sale	000 Island Oil & Trans Corp	High, Low.	9 = 14
e le	Dir. Yield. 66 6 6 77 4 66 1 1 3 66 7 7 7 7 7 1 10 5 8 8	8ales.  \$000 1000 154000 154000 154000 154000 154000 154000 1560000 1560000 1560000 15600000 1560000000000	Advance Rumely Advance Rumely Advance Rumely Advance Rumely Advance Rumely Alax Rubber Alaska Gold M. Allis Chalmers Mfg. Am Agric Chem. Am Bank Note Am Bank Shoe & Fdy pf Am Can Am Car Am Cat Am Car Am Cat Am Car Am Car Am Cat Am Car Am Hide & Leather Am Hide & Leather Am Hide & Leather Am Hide & Leather Am Locomotive Am Locomotive Am Locomotive Am Locomotive Am Locomotive Am Shelt & Ref Am Smelt & Ref Am Smelt & Ref Am Smelt & Ref Am Smelt & Ref Am Sugar Re	W    1919.	EEK ENDEL  1918.  8 8,066,591  Last. Chys.  3234 — 1 146  62 — 344  124 — 1 146  8 8,066,591  104 + 1 146  10714 — 1 146  1071	Year to date.   Range 1990.   Di   High   Low.   In	V   Div   Sale	1920.  121.871.12  120.  121.871.12  120.	1919.  1919.  139.380.83    Righ.   Low.    10	1918. 72,415.897    Last   Chap.   16.897   16.16   16.897   16
61144984.5. 3129 598 59 0063445759 6991 00 8821 00 66 66 67 68 68 68 68 68 68 68 68 68 68 68 68 68	12 7 100 7 9 100 100 100 100 100 100 100 100 100 1	700 700 700 1400 5600 500 500 500 1700 5000 1100 1000 15400 600 1150 1400 100 15200 1400 15200 1400 100 15200 1400 100 15200 1400 100 15200 1400 100 100 100 100 100 100 100 100	Central Leatner	57 65 14 12 198 12 198 12 198 12 198 12 198 12 198 12 11 12 12 12 12 12 12 12 12 12 12 12	1   1   1   1   1   1   1   1   1   1	82 % 45	55 8 12 2 3 4 3 3 4 1 5 6 3 4 1 2 2 3 4 1 2 3 4 1 2 3 4 1 2 3 4 1	00 Pierce Arrow Motor pf 00 Pierce Oil Corp	92 92 92 92 92 92 92 92 92 92 92 92 92 9	92 5 5 5 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6

Restricting Rediscounts.

Eliminate Non-Essential Leans.

The whole country is eliminating nonessential loans as far as possible and banks are readjusting their loan acthose engaged in really productive undertakings. That attitude is bringing about a reapportionment of credit and stocks of merchandise and foodstuffs held for high prices. In that manner speculative loans are being liquidated and credit long tied up in carrying merchandise for higher prices is being placed at the disposal of commercial borrowers. That process is strengthening the bank position and promoting liquidation of huge merchandise stocks specu-latively held. The net result will be genuine purification of the country's loan account, with such a weeding out of highly speculative loans as will force abandonment of practices calculated to increase living cost. That movement has emphasized the adaptability of the reserve system for dealing with such a highly complicated credit attuation as has grown out of the war financing and reorganization which followed censation

1200 Elk Horn Coal Corp.
3890 Endicott Johnson
1700 Erle
1100 Erle 1st pf.
690 Erle 2d pf.
300 Fairbanks Co
59700 Famous Players-Lasky.
1200 Fam Players-Lasky pf.
300 Fed Ming & Smelt pf.
100 Fisher Body Corp.
1 to Fisher Body Corp pf.
1 4500 General Corp pf.
1 4500 General Corp corp.
2200 Gen A Tank C ex div.
400 General Cigar Co deb pf.
1400 General Cigar Co deb pf.
1400 General Electric Co.
1 83800 General Motor Corp ctfs.
100 General Motor Corp ctfs.
100 General Motor Corp deb.
1 100 Great Northern pf.
1 100 Graat Northern pf.
1 100 Great Northern Ore ctfs
1 100 Great Northern Ore ctfs
1 100 Gulf States Steel
1 100 Huple Motor
1 100 Haskel & Barker Car
1 3400 Hupp Motor
1 500 Illinois Central

38100 Haskel & Barker Car.
3400 Hupp Motor
500 Illinois Central
1300 Indiahoma Ref ex div.
13300 Inspiration Con Copper.
5600 Interboro Con Corp.
700 Interboro Con Corp.
2000 Int Agri Gorp.
2000 Int Harvester Co ex div.
400 Int Harvester Co pf.
8500 Int Mer Marine.
10500 Int Mer Marine.
10500 Int Mer Marine pf.
800 Inter Motor Truck 1st pf.
200 Inter Motor Truck 2d pf.
3200 International Nickel
200 International Nickel
200 International Nickel pf.
3700 International Paper
600 Inter Paper pf stpd.
400 Intor Products Corp.
200 Island Creek Coal.

Financing the Harvest.

Interior cities are calling for funds 5174 with which to finance heavy demands of 111 % crop moving sections. Some 170 11176 7636 6.68 170 50 8.86 71 60 10.53 2694 1556 7.32 9184 6234 70 5775 3646 7.64 their own crops this year until marketed, a novel change, but some banking com

# **BROWN BROTHERS &**

Philadelphia

NEW YORK

Commercial Letters of Credit Travelers Letters of Credit Foreign Exchange

# BROWN, SHIPLEY &

Founders Court, Lothbury

123 Pall Mall, LONDON, S. W.

# Standard Bank of South Africa, LTD.

WEARE at all times very glad to discuss South African and Australian trade conditions with exporters and importers.

Established 58 Years 370 Branches and Agencies

W.H. MACINTYRE, Agent 68 WALL STREET **NEW YORK** 

Resources \$350,778,055

# The **ENGINEERS CORPORATION**

43 Exchange Place New York

Calls Attention to Its

# STEAMSHIP DEPARTMENT

Under the Management of WILLIAM H. ELLIS Formerly of the Ward Line

This Department engages in Brokerage, Chartering and Freight Forwarding.

Mr. Ellis' services are also available for consultation on general Steamship or Shipping Problems.

### "Earnings Yield"

Do you know what this phrase means?

We have just issued a circular which explains it and gives a simple formula for determining the relative values of investment stocks. It will be found much more satisfactory than using "investment yield" and reports of earnings separately.

The circular applies the formula to a list of railroad stocks and will help you to decide what rails to buy.

Ask for Circular 38-A

#### John Muir & Co. Members New York Stock Exchange

61 Broadway New York

## Stone & Webster, Inc.

147 Milk Street

120 Broadway NEW YORK

38 So. Dearborn St. CHICAGO

**EXAMINATIONS AND STUDIES** of Industrial and Public Service Properties

REPORTS on Valuation and Operating Efficiency

Bankers Trust Co. National Park Bank Rights Du Pont Warrants McCLURE, JONES & REED

Members New York Stack Exchange
118 Broadway Phone 7863 Rector

TOBEY & KIRK Members N. Y. STOCK EXCHANGE **Unlisted Securities**